

# **EXHIBIT 33**

# Cisco's Chambers: 2 days with man on a mission at CES

Jon Swartz, USA TODAY 6:57 p.m. EST January 9, 2013

*Globe-hopping Cisco CEO John Chambers has people to visit and places to see in a whirlwind, two-day stopover at the sprawling International CES in Las Vegas.*



(Photo: H. Darr Beiser, USA TODAY)

LAS VEGAS — Two nights in Vegas is the limit for most people.

For John Chambers, it's a mere stopover. (His aides are feverishly prepping him for the World Economic Forum in Davos, Switzerland, later this month.)

The globe-hopping Chambers — in an average year he travels more than six months — has people to visit and places to see in a whirlwind, two-day stopover at the sprawling International CES here. His objective: Steer Cisco to become the top supplier of information technology for big businesses by broadening its portfolio of services and software.



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"We have never been better positioned than now to be the No. 1 (information-technology) company in the world," Chambers, Cisco Systems' CEO, says.

Throughout his trip, Chambers invited a USA TODAY reporter along for the ride, to offer a behind-the-scenes peek while he made deals, swayed customers and met business partners. What follows is a timeline of how Silicon Valley's longest-tenured CEO worked the industry's largest trade show in the U.S.

**Monday, Jan. 7, 7:20 a.m.:** Chambers and a small entourage board his private jet at Mineta San Jose International Airport. It's early, but he's honing his latest corporate pitch.

"A key to our success is dealing with market transitions and out-executing our competitors," says Chambers, who bounces onto the plane after filming two corporate videos at home equipped with a 152-inch TV screen.

The new "Tomorrow Starts Here" strategy, highlighted in a marketing campaign that launched in December, is a legacy for the next generation of Cisco leadership, says Chambers, who intends to retire in two to four years.

The plan relies, in part, on the acquisition of companies. Cisco in November snagged networking-device maker Meraki for \$1.2 billion and Cloupia — a move into higher profit margins of software — for \$125 million. Those deals came after its \$5 billion acquisition in March of NDS Group, which is in the fast-growing video field.

Cisco's latest corporate chapter comes after several lean years, in which Chambers reorganized the nearly 67,000-employee company, consolidating divisions and buying companies.

It's a tall order for Cisco — already the world's largest maker of computer networking gear — because IBM outsells Cisco 2-to-1 in IT gear. But few people bet against the hypercompetitive Chambers, 63, who has thrived for 17 years as Cisco CEO, six as chairman. Harvard Business Review recently ranked Chambers No. 10 in its list of "Best CEOs in the World."

"He's always on," says Debbie Gross, Chambers' executive assistant who is part of the traveling party. "It's non-stop with him."

**Monday, Jan. 7, 8:05 a.m.:** Somewhere above Nevada. Chambers, Cisco head of engineering Pankaj Patel and executive assistants pore over binders filled with detailed information about customers Chambers will meet here. There are at least six customer meetings in two days.

The binders are filled with photos of customers and other notables for Chambers, who is dyslexic. (Cisco has some 500,000 customers worldwide.)

"We follow every critical account, discuss personnel matters and closely follow market conditions," Chambers says, leafing through the phone-book-thick binder. "Our team here can be stubborn and strong-willed, but we work extremely well as a team."

Some 400 Cisco employees are attending CES this week.

**Monday, Jan. 7, 4:30 p.m.:** Press conference with customer Cox Communications at Wynn Las Vegas hotel. The news is that Cisco and Cox have teamed up on an iPad app that enhances a consumer's "second screen" experience in searching for, and viewing, TV programs.

"This is a tipping point for the whole TV experience," a beaming Chambers says.

"He's not afraid of change," adds Cox CEO Pat Esser, who has known Chambers for a decade. "In fact, he kicks himself if he misses a trend."

At the event, Chambers is typically relaxed and cheerful. Talk about him with anyone in his circle and the words "competitive" and "grounded" are in heavy rotation. Indeed, his encyclopedic knowledge is matched only by his steel-trap memory for the most-minute details absorbed over the years.

That same day, Cisco announced a wireless-based home security and automation service with AT&T Digital Life.

"While I think we have the best technology here, our key is execution," says Chambers. During his nearly two decades as CEO, the Silicon Valley company has grown to \$46 billion in fiscal-year 2012 revenue from \$1.2 billion.

"We have to execute at Cisco speed with even more consistency than we did two years ago," he says.

For years, Cisco was one of the fastest-growing technology companies. But its growth has been stunted because of competition and a slackening global economy.

Flashback to CES in 2010, when Cisco's audacious consumer push into Flip video cameras, home networking and other areas misfired. Yet in its failings, Cisco addressed the fledgling video market, which requires more network capacity from its customers, analysts say.

"Video is still crucial for Cisco; the emphasis has just changed," says Greg Ireland, an analyst at market researcher IDC who was pre-briefed by Cisco on its CES plans this year.

Even Chambers admits Cisco "hit a couple of bumps," but now he's buoyant after a series of successful meetings with customers.

"There is a healthy paranoia of not missing a trend and being left behind here," says Chambers. "Companies that do not change fast enough will be left behind."

**Tuesday, Jan. 8, 10 a.m.:** At Cisco's base of operations at The Venetian. Cisco is in the midst of a metamorphosis from making boxes that direct Internet traffic to a provider of software and services for government and large businesses. It vows to handle everything from projects that manage systems for efficient mining and traffic flow to clean-water access across cities.

"This is a \$4 trillion market," Chambers says. "The days of boxes are over."

The boom in smartphones and tablets has turned computer networking on its ear by increasing the range of devices — and their data — that need to be managed. Today, millions of iPhones, Android devices and iPads are linked to supercomputer clouds, which maintain and disperse their vast information.

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On Sunday, the Consumer Electronics Association said it expects brisk growth of 22% this year for smartphones and 25% for tablets, but not much else.

It's all been a shock to longtime tech players such as Microsoft and Hewlett-Packard, which must quickly adapt. HP has poured \$10 billion into analytics companies since 2007. HP's effort to become a major player in data analytics — it spent \$11 billion now — is a controversial, \$8.8 billion write-down. Microsoft, meanwhile, has spent heavily on building its own computing cloud.

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Tuesday, Jan. 8, 4:30 p.m.: Chambers' suite at the cacophonous Venetian.

Cisco's acquisition machine, in hibernation during its restructuring in 2011, roared back to life in 2012. In short order, it plunked down more than \$6.5 billion on 11 companies.

A tectonic shift toward mobile devices and sensors, and how they connect to huge Internet computer systems, is roiling technology giants like Microsoft, IBM, HP, SAP and Oracle, according to Chambers.

"Two or three of those will not be in that list five years from now," says Chambers.

Cisco is among the best-positioned tech leviathans in this new world order of mobile devices, says Sam Barnett, an analyst at market researcher Infonetics. "Will Cisco rise above? It certainly has the right ideas, including its acquisition of Meraki," he says.

Parts of the plan, however, could have gaps, particularly in how Cisco will move from a focus on technical engineering to producing social and economic results, Barnett and others caution.

"I love to compete, and we will compete even harder," Chambers says. "We try to compete with class. Juniper made fun of us in *The Wall Street Journal*, and said how they're going to pull away from us. Now, they are struggling."

Chambers' zeal for competition — among his confidants is Duke basketball coach Mike Krzyzewski, whom Chambers met as a graduate student at Indiana University — has led him to closely study the decision-making habits of his rivals.

"We understand the market, our competitors and — most importantly — how our competitors think," Chambers says, remarking on Cisco's deep knowledge of rivals Arista Networks, Juniper, HP and others. "I have a pretty good idea what their next two moves will be."

"When you compete against us, you will lose," Chambers vows, blue eyes glistening with intensity. "It is that confidence that goes across the board at Cisco, with all the caveats. We all know that we could falter. It's just that I wouldn't bet against us."

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